

Thank you Chairman Graves and members of the Committee for the opportunity to testify today. My name is Bart Carrigan and I am the staff president and CEO of the Associated General Contractors of Michigan. Our association's members are Michigan largest and most professional general contractors and construction managers, both union and non-union. I am testifying on behalf of the Michigan Prevailing Wage Coalition, a large group of associations and building trade unions.

HB 4052 would prohibit local units of government from imposing their own mandatory wage requirements such as living wages, etc. There is one section of the bill that is very different. Section 7 prohibits a local unit of government from "requiring an employer to pay an employee a wage or fringe benefit based on wage and fringe benefit rates prevailing in the locality," commonly known as a "prevailing wage law" similar to the State of Michigan's Public Act 166 established in 1965.

Prevailing wage laws only apply in the limited situations where the local unit of government is engaging in construction with its own funds. This is totally different from the rest of the provisions of the bill that have wider application. Very few of Michigan's local

units of government have these provisions, maybe 20 out of more than 1800!

Committee members should consider striking section 7, because the Legislature is dealing with prevailing wages in another series of bills. Another reason to drop section 7 is that, there is a case involving the City of Lansing's prevailing wage act pending in Michigan's Supreme Court that may very well render it illegal. The intent of prevailing wage laws is to support the wage and fringe benefits in the local area and to prohibit out-of-the-area contractors from taking work away from local contractors and their skilled tradesmen. This is not favoritism. Just good public policy.

Local units of government like all government bodies need 'tools' in their toolbox to ensure that they are good stewards of the public's money. The ability to pay prevailing wages to ensure the quality and productivity of construction is one of those tools. Local governments don't need artificial constraints placed on their ability to govern effectively.

We need to keep Michigan jobs in Michigan. Eliminating the ability to impose prevailing requirements on public construction projects runs counter to that goal. Taking prevailing wage off the books will open public construction to a new universe of itinerant companies seeking to get work at any cost. This will greatly compromise the quality of construction on public facilities including schools, government buildings and more.

Again I urge the Committee to amend House Bill 4052 to remove reference to prevailing wage for construction in Section 7. Thank you and I would be happy to answer any questions.